

* This financial report is solely a translation of “Gyosekiyosou no Shusei ni Kansuru Oshirase” (in Japanese), which has been prepared in accordance with International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.

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For Immediate Release

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Notice of Revisions to Earnings Forecasts for the Fiscal Year ending March 31, 2022

NIPPON SHOKUBAI CO., LTD. [Headquarters: Chuo-ku, Osaka; President: Yujiro Goto, TSE: 4114] (“Nippon Shokubai”) has made the following revisions to its earnings forecasts for the fiscal year ending March 31, 2022, which were announced on August 5, 2021, in view of recent trends in operating results. The details are as follows.

1. Consolidated financial forecasts

Consolidated financial forecasts (cumulative) for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of August 5, 2021)	170,000	13,000	14,500	10,000	250.78
New Forecasts (B)	173,000	15,200	17,700	12,400	310.97
Change in Amount (B-A)	3,000	2,200	3,200	2,400	
Percentage Change (%)	1.8%	16.9%	22.1%	24.0%	
(Reference) Six Months Ended September 30, 2020	124,668	-1,188	-72	-1,183	-29.66

Consolidated full-year financial forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of August 5, 2021)	325,000	22,000	24,000	16,000	401.25
New Forecasts (B)	355,000	24,000	28,500	20,500	514.10
Change in Amount (B-A)	30,000	2,000	4,500	4,500	
Percentage Change (%)	9.2%	9.1%	18.8%	28.1%	
(Reference) Full year of Fiscal Year Ended March 31, 2021	273,163	-15,921	-12,926	-10,899	-273.33

2. Non-consolidated financial forecasts

Non-consolidated financial forecasts (cumulative) for the six months ended September 30, 2021
(from April 1, 2021 to September 30, 2021)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of August 5, 2021)	105,000	7,500	11,500	9,000	225.70
New Forecasts (B)	105,000	9,500	13,600	10,900	273.35
Change in Amount (B-A)	0	2,000	2,100	1,900	
Percentage Change (%)	0.0%	26.7%	18.3%	21.1%	
(Reference) Six Months Ended September 30, 2020	81,931	-343	2,764	2,642	66.27

Non-consolidated full-year financial forecasts for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous Forecasts (A) (as of August 5, 2021)	205,000	12,500	18,000	13,500	338.55
New Forecasts (B)	215,000	14,000	20,000	15,000	376.17
Change in Amount (B-A)	10,000	1,500	2,000	1,500	
Percentage Change (%)	4.9%	12.0%	11.1%	11.1%	
(Reference) Full year of Fiscal Year Ended March 31, 2021	181,073	4,884	11,280	-19,650	-492.78

3. Reasons for the revision of consolidated and non-consolidated financial forecasts

Regarding its consolidated financial forecasts for the six months ended September 30, 2021 (the “first half of the year”) and the full fiscal year ending March 31, 2022, Nippon Shokubai revised upward its initial earnings forecasts on August 5 due to widened spread resulting from rises in the overseas market prices for acrylic acids and acrylates, an increase in sales volume, and a decline in processing costs such as inventory valuation difference. At that time, market conditions for acrylic acid and acrylate products outside Japan were expected to settle down from the second quarter, but those markets continued to rise longer than expected.

As a result, for the first half of the year, revenue is expected to increase by 3,000 million yen to 173,000 million yen from the previous forecast announced on August 5, 2021 (the “previous forecast”).

As for profits, Nippon Shokubai expects operating profit to increase by 2,200 million yen to 15,200 million yen from the previous forecast due to widened spread resulting from a larger increase in sales prices than the rise in raw materials prices and decreases in general and administrative expenses and research and development expenses. Further, Nippon Shokubai also expects profit before tax of 17,700 million yen and profit attributable to owners of parent of 12,400 million yen.

Regarding Nippon Shokubai’s consolidated financial forecasts for the fiscal year ending March 31, 2022, revenue is expected to increase by 30,000 million yen to 355,000 million yen from the previous forecast as a result of reviewing the sales outlook based on the situation during the first half of the year and the rise in raw materials prices following the recent surge in crude oil prices.

As for profits, in addition to the upturn for the first half of the year, a decrease in processing costs such as inventory valuation difference is expected for the second half. However, a narrower spread for functional chemicals is also anticipated for the second half, reflecting the rise in raw material prices. As a result of these factors, Nippon Shokubai expects for the full year an increase in operating profit of 2,000 million yen to 24,000 million yen from the previous forecast, profit before tax of 28,500 million yen, and profit attributable to owners of parent of 20,500 million yen.

Full-year forecast exchange rates are 110 yen to the U.S. dollar, 130 yen to the euro, and domestic naphtha prices of 54,300 yen/kl.

Also, the non-consolidated financial forecasts for the first half of the year and the full year will be revised as above for the same reasons stated.

4. Dividends forecasts

With regard to the dividend forecast for the fiscal year ending March 31, 2022, the interim dividend forecast of 80 yen per share (ordinary dividend: 75 yen, commemorative dividend: 5 yen) remains unchanged. With regard to the year-end dividend forecast, Nippon Shokubai will carefully assess the impacts of rising raw material prices and declining automobile production, and continue to consider whether revisions are required.

(Note)

The preceding forecasts are based on information currently available and certain assumptions that Nippon Shokubai believes are reasonable. Various factors may lead to different actual results from the forecasts.